

STATE OF NEW MEXICO OFFICE OF THE STATE ENGINEER

DISTRICT 1

TOM BLAINE, P.E.
NEW MEXICO STATE ENGINEER

5550 San Antonio Drive, N.E. Albuquerque, NM 87109 (505) 383-4000

July 17, 2017

File No.: 1605 and B-28

Homestake Mining Company c/o Thomas Wohlford P.O. Box 98 Grants, NM 87020

RE: PLUGGING PLAN OF OPERATION B-28 POD407 (HMC 928)

Mr. Wohlford,

On July 14, 2017, the Office of the State Engineer (NMOSE) contacted George Hoffman, Hydro-Engineering, LLC, at your request to discuss the variance request and Plugging Plan of Operation (Plan) for B-28 POD407 (aka HMC 928) submitted on July 12, 2017. The New Mexico Environment Department (NMED) was also included in the phone conference.

The request for variance submitted with the Plan falls short of describing a complete plugging of B-28 POD407 from the total depth to 324-feet. Additional action is required to detail the complete plugging of the well.

• Please provide the NMOSE a detailed "step by step" plan to cement the entire column from a total depth of 865-feet below ground surface (bgs).

If you have any questions or wish to discuss options to the Plan, please contact me at 505-383-4000 or by email at christopher.burrus@state.nm.us.

Sincerely,

Christopher Burrus

Water Resource Specialist Albuquerque, OSE, District 1

C: CB/cb Cc: WRAB;

William Pearson, NMED, MECS